

Message Text

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ACTION ARA-20

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SUBJ: PRESS ARTICLES ON CANAL TREATY NEGOTIATIONS

REF: BUENOS AIRES 3767

SUMMARY. PANAMANIAN GOVERNMENT CONTROLLED PRESS APPEARS TO BE ENTERING ANOTHER CYCLE OF INTENSE PRESS COVERAGE ON CANAL ISSUE. COMMENTARY TO DATE HAS NOT BEEN VITRIOLIC AND USG IS PORTRAYED AS SHOWING SIGNS OF FLEXIBILITY. EVIDENCE OFFERED ARE QUOTES FROM ROGERS-TACK CONVERSATION IN BUENOS AIRES AND "APPOINTMENT" OF AMBASSADOR BUNKER AS TREATY NEGOTIATOR. END SUMMARY.

1. BEGINNING JUNE 30 WITH GOVERNMENT TABLOID CRITICA'S ENTIRE FRONT PAGE DEVOTED TO A REPRINT OF ARTICLE FROM SPANISH NEWS-PAPER ABC CONCERNING U.S.-PANAMANIAN CONFLICT AND UNSC, LOCAL NEWSPAPERS HAVE BEEN PUBLISHING ARTICLES CONCERNING CANAL TREATY NEGOTIATIONS. MOST RECENT WAS CRITICA FRONT PAGE REPRINT OF AMERICA PRESS ARTICLE FROM FRANCE ALLEGING CANAL ZONE'S 432 SQUARE KILOMETERS ARE OCCUPIED BY 20,000 SOLDIERS IN 14 BASES FOR A RENT OF \$1,900,000 DOLLARS. TO DATE MOST OF ARTICLES HAVE ORIGINATED WITH ACAN-EFE SERVICE, BUT SOME OFFICIAL LEAKS HAVE APPEARED.

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2. LOCAL PAPERS PICKED UP AND REPORTED AS FACT U.S. PRESS REPORTS THAT AMBASSADOR ELLSWORTH BUNKER MIGHT BE

APPOINTED TO REPLACE ROBERT ANDERSON AS TREATY NEGOTIATOR. BUNKER'S APPOINTMENT HAS RECEIVED GENERALLY FAVORABLE TREATMENT. IT IS INTERPRETED AS SIGN U.S. IS TAKING "RENEWED INTEREST" IN FINDING SOLUTION TO CANAL PROBLEM. TYPICAL IS FOLLOWING QUOTE FROM PANAMA AMERICAN ARTICLE JULY 10: "THE PROOF OF MOST RECENT U.S. INTEREST IN REACHING PEACEFUL SOLUTION IS REPLACEMENT OF NEGOTIATOR ROBERT ANDERSON WITH THE OLD DIPLOMATIC FOX, ELLSWORTH BUNKER."

3. ARTICLES APPEARING IN GOP CONTROLLED NEWSPAPER GROUP IMPLY THAT ACTIVE CANAL NEGOTIATIONS ARE ABOUT TO BEGIN BECAUSE OF INTERNATIONAL PRESSURES GENERATED ON U.S. BY UNSC AND CONDEMNATION OF COLONIAL SITUATION IN CZ; THEREFORE, USG IS NOW CONVINCED OF NECESSITY OF REACHING URGENT AND INTELLIGENT SOLUTION TO CANAL PROBLEM. ARTICLES ALLEGE U.S. POLICY HAS CHANGED IN TWO IMPORTANT ASPECTS: DURATION AND COMPENSATION. WHEREAS U.S. ALLEGEDLY WAS SEEKING 80 YEAR TREATY WHEN TALKS STALEMATED, NOW U.S. WOULD ACCEPT 50 YEARS. ARTICLE SPECULATES THAT DIPLOMATIC GIVE AND TAKE COULD PRODUCE AGREEMENT CALLED "30 AND 30", I.E., 30 YEARS AND 30 MILLION DOLLARS' ANNUITY. THE 30 MILLION IS CONTRASTED WITH PRESENT ANNUITY OF TWO MILLION, NOT \$20-25 MILLION.

4. CRITICA AND PANAMA AMERICAN ON JULY 10 PRINTED ACAN-EFE STORY PURPORTING TO DESCRIBE IN PART SECRETARY ROGERS' CONVERSATION WITH FOREIGN MINISTER TACK IN ARGENTINA. FOLLOWING QUOTES OBTAINED FROM "RELIABLE SOURCES", WERE INTERPRETED AS FURTHER PROOF OF WHITE HOUSE "CHANGE OF HEART". ROGERS: "MY GOVERNMENT IS FAVORABLY DISPOSED TO IMMEDIATELY RENEW NEGOTIATIONS TO FIND A POSITIVE SOLUTION TO ALL THE DIFFERENCES THAT WE HAVE HAD." TACK: "MY GOVERNMENT HAS ALWAYS BEEN FAVORABLY DISPOSED TO THESE NEGOTIATIONS. AS PROOF OF THESE MUTUAL GOOD INTENTIONS WE COULD SIGN NOW, A DOCUMENT COMMITTING TO NEGOTIATIONS ON THE INDISPUTABLE BASIS OF THE ABROGATION OF THE 1903 TREATY AND THE SOVEREIGN RIGHTS AND JURISDICTION OF PANAMA OVER ALL ITS TERRITORY INCLUDING THE CANAL ZONE." ROGERS: "I AM NOT AUTHORIZED BY MY GOVERNMENT TO TAKE THIS ACTION, BUT I DO PROMISE YOU THAT WE WILL GO TO
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THE NEGOTIATING TABLE WITH THE BEST INTENTION TO ARRIVE AT A SATISFACTORY ARRANGEMENT ON BOTH SIDES."

5. COMMENT. IT APPEARS WE MAY BE ENTERING ANOTHER CYCLE OF INTENSE PRESS ATTENTION TO CANAL ISSUE. PREVIOUS PRESS CAMPAIGNS HAVE BEGUN WITH REPRINT OF ARTICLES FROM FOREIGN NEWSPAPERS INTERSPERSED WITH OFFICIAL "LEAKS" AND FINALLY LOCAL REPORTERS CHIME IN WITH THEIR OWN BRICKBATS. RECENT ARTICLES HAVE NOT BEEN VITRIOLIC AND POSSIBLY COULD BE EFFORT BY GOP TO EASE ITSELF OUT OF RIGID POSITION ADOPTED

BEFORE AND DURING UNSC, THOUGH IT IS TOO EARLY TO MAKE THIS CONCLUSION. EMBASSY HAS NO INFORMATION AS TO THE SOURCE OF ALLEGED QUOTES FROM ROGERS-TACK CONVERSATION BUT IT IS LIKELY THAT IT CAME FROM FOREIGN MINISTER. IF SO, IT IS NOT IN KEEPING WITH FOREIGN MINISTER'S COMMITMENT THAT PRIVATE DISCUSSIONS ON NEGOTIATIONS WOULD BE KEPT PRIVATE. THE QUOTES BEAR LITTLE RESEMBLANCE TO REPORT OF THE MEETING CONTAINED IN BUENOS AIRES 3767. THE REPORTS ON THE CONVERSATION AND THE OTHER RECENT ARTICLES ARE, HOWEVER, GENERALLY CONSISTENT WITH THE OVERALL NEGOTIATING SITUATION, I.E., THAT THE USG CANNOT ACCEPT PANAMA'S POSITION BUT IS PREPARED TO NEGOTIATE IN GOOD FAITH TO SEE IF WE CAN REACH AGREEMENT. THEY ARE ALSO CONSISTENT WITH THE IMPRESSION THAT TACK IS TRYING TO CREATE THAT HE IS STANDING FIRM AND THE U.S. IS SHOWING FLEXIBILITY.

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